

## **Senate Bill No. 1081**

### **CHAPTER 453**

An act to amend Section 15909.1 of, and to add Section 15910.5 to, the Welfare and Institutions Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 22, 2012. Filed with  
Secretary of State September 22, 2012.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

SB 1081, Fuller. Public health care: Medi-Cal: demonstration projects.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law provides for the Health Care Coverage Initiative, which is a federal waiver demonstration project established to expand health care coverage to low-income uninsured individuals who are not currently eligible for the Medi-Cal program and other specified public health coverage programs. Existing law requires the department, pursuant to federal approval of a successor demonstration project, to authorize a local Low Income Health Program (LIHP) to provide health care services to eligible low-income individuals under certain circumstances. Under existing law, a county, city and county, consortium of counties serving a region of more than one county, or a health authority may be eligible to operate an approved LIHP. Existing law establishes the continuously appropriated LIHP Fund, which consists of moneys transferred to the fund from a participating entity to meet the nonfederal share of estimated payments to the LIHP.

This bill would provide that a nondesignated public hospital, as defined, or the entity with which it is affiliated, may be eligible to operate an approved LIHP if it is located in a county that does not have a designated public hospital, as defined, the county does not intend to operate a LIHP, and, if the county previously filed an application to operate a LIHP, the county has formally withdrawn its application. By increasing the number of entities that may transfer funds into the LIHP Fund, this bill would make an appropriation.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 15909.1 of the Welfare and Institutions Code is amended to read:

15909.1. For purposes of this part, the following definitions shall apply:

(a) “Demonstration project” means a federal waiver or demonstration project described in Section 14180 approved by the federal Centers for Medicare and Medicaid Services that authorizes the implementation of a successor to the Health Care Coverage Initiative under Part 3.5 (commencing with Section 15900).

(b) (1) “Eligible entity” means any of the following:

(A) A county.

(B) A city and county.

(C) A consortium of counties serving a region consisting of more than one county.

(D) A health authority.

(E) A nondesignated public hospital, or the entity with which it is affiliated, if all of the following conditions are met:

(i) The hospital is located in a county that does not have a designated public hospital.

(ii) The county does not intend to operate a LIHP pursuant to Section 15910.5.

(iii) If the county previously filed an application to operate a LIHP, the county has formally withdrawn its application.

(2) For purposes of this section and to the extent allowed under the Special Terms and Conditions of the demonstration project, a County Medical Services Program shall be considered a consortium of counties serving a region consisting of more than one county.

(c) “LIHP” means a local Low Income Health Program authorized pursuant to this part that is comprised of the following populations:

(1) The Medicaid Coverage Expansion (MCE) population, which means low-income individuals 19 to 64 years of age, inclusive, who are not pregnant, have family incomes at or below 133 percent of the federal poverty level, are not eligible for the Medi-Cal program or the Children’s Health Insurance Program, are United States citizens, nationals, or have satisfactory immigration status, and meet the county of residence requirements.

(2) The Health Care Coverage Initiative (HCCI) population, which means low-income individuals 19 to 64 years of age, inclusive, who are not pregnant, have family incomes above 133 percent through 200 percent of the federal poverty level, are not eligible for the Medicare Program, the Medi-Cal program, the Children’s Health Insurance Program, or other third-party coverage, are United States citizens, nationals, or have satisfactory immigration status, and meet the county of residence requirements.

(d) “Participating entity” means an eligible entity that operates an approved LIHP.

(e) “Designated public hospital” has the same meaning as defined in subdivision (d) of Section 14166.1.

(f) “Nondesignated public hospital” has the same meaning as defined in subdivision (f) of Section 14166.1.

SEC. 2. Section 15910.5 is added to the Welfare and Institutions Code, to read:

15910.5. (a) An application to operate a Low Income Health Program (LIHP) by a nondesignated public hospital, pursuant to subparagraph (E) of paragraph (1) of subdivision (b) of Section 15909.1, shall be provided to the county in which the nondesignated public hospital is located at the same time that it is provided to the department. If a county that previously withdrew an application to operate a LIHP does not indicate in writing to the department, within 30 days from the date of application by the nondesignated public hospital, that it rescinds the withdrawal of its application and intends to proceed with its application to implement a LIHP, the department shall consider the application of the nondesignated public hospital to operate the LIHP.

(b) The department shall seek any necessary federal approvals for the implementation of this section. This section shall be implemented only if and to the extent that any necessary federal approvals are obtained.

SEC. 3. It is the intent of the Legislature that if a nondesignated public hospital submits an application pursuant to this act, the hospital initially shall establish a local stakeholder advisory committee comprised of health plans, community health centers, consumers, and other interested stakeholders to provide input regarding the development, implementation, and operation of the LIHP.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to improve access to health care services for patients in underserved areas at the earliest possible time, it is necessary that this act take effect immediately.